

Message Text

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14

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EURE-00

AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06

CIEP-02 LAB-04 SIL-01 OMB-01 STR-04 CEA-01 SAJ-01

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R 281834Z OCT 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC 2837

INFO SECDEF WASHDC

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY COPENHAGEN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

USMISSION NATO BRUSSELS

CINC USAFE RAMSTEIN

CINC USAREUR HEIDELBERG

CINC EUR VAIHINGEN

USNMR SHAPE

UNCLAS SECTION 01 OF 02 BONN 18246

E.O. 11652: N/A

TAGS: SOPN, MARR, MPOL, GW, UK, NATO

SUBJECT: BRITISH PRIME MINISTER THREAT TO WITHDRAW

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THE BAOR -- -FRG PRESS REACTIONS

BEGIN SUMMARY: GERMAN PAPERS GIVE WIDE COVERAGE TO BRITISH PRIME MINISTER CALLAGHAN'S BBC INTERVIEW IN WHICH HE STRONGLY HINTED THAT THE BAOR MIGHT BE WITHDRAWN UNLESS ADDITIONAL AID WERE GIVEN TO THE FALTERING BRITISH ECONOMY. CALLAGHAN'S STATEMENTS GAVE RISE TO BOTH ANGRY AND UNDERSTANDING COMMENTS. END SUMMARY.

1. AS REPORTED IN THE GERMAN PRESS ON OCTOBER 27, 1976, THE DECISIVE PASSAGE OF THE INTERVIEW CONCERNING THE FEDERAL REPUBLIC IS ONE IN WHICH CALLAGHAN STATES (RETRANSLATION FROM GERMAN BACK INTO ENGLISH): "OUR (FINANCIAL) CONTRIBUTION TO THE BAOR IS VERY SUBSTANTIAL. IT DOES NOT ONLY CONCERN 55,000 SOLDIERS, BUT THE STABILITY OF CENTRAL EUROPE. IT ALSO CONCERNS THE ENTIRE POLICY OF THE WESTERN WORLD. IN CASE WE SHOULD BE PUSHED INTO A POSITION WHERE WE HAD TO CHOOSE BETWEEN THE CONTINUATION OF THIS RESPONSIBILITY OR WHERE WE HAD TO STATE: SORRY, BUT OUR ECONOMIC SITUATION DEMANDS THAT WE FIRST THINK OF OURSELVES -- THIS WOULD BE A VERY SERIOUS MATTER FOR EUROPE TOO. I DO NOT WISH TO BE FORCED INTO SUCH A CHOICE, I AM QUITE SURE ABOUT THIS. I FIRMLY BELIEVE IN NATO; I FIRMLY BELIEVE THAT GREAT BRITAIN HAS TO MAKE A GREAT CONTRIBUTION TO STABILITY IN CENTRAL EUROPE. BUT OTHERS HAVE TO TAKE THIS INTO ACCOUNT."

2. THE "STUTTGARTER ZEITUNG (INDEPENDENT/LIBERAL) AND MOST OTHER NEWSPAPERS REPORTED FRG GOVERNMENT SPOKESMAN GRUENEWALD AS SAYING THAT THE FEDERAL GOVERNMENT HOPES FOR AN EARLY RECOVERY OF STERLING. THE FEDERAL GOVERNMENT ASSUMES THAT IF THE POLICY INITIATED BY THE BRITISH GOVERNMENT IS CONTINUED, UNDERVALUED STERLING WILL SOON BE ACCORDED A VALUE IN LINE WITH THE IMPORTANCE OF GREAT BRITAIN TO THE WORLD ECONOMY. IN CASE OF CONFLICT, THE BAOR DOES NOT ONLY DEFEND THE FRG BUT ALSO GREAT BRITAIN, HE ADDED.

3. ACCORDING TO "DIE WELT" (RIGHT CENTER) THE FEDERAL MINISTRY OF DEFENSE IS TRYING TO OBTAIN THE OFFICIAL UNCLASSIFIED

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TEXT OF CALLAGHAN'S STATEMENT. IN THEIR FIRST POLITICAL EVALUATION, DEFENSE EXPERTS OF THE FEDERAL GOVERNMENT DECLARED THAT THE BAOR IS AN ESSENTIAL PART OF NATO'S NORTHERN DEFENSE LINE. WITHDRAWING THE BAOR FROM THE FEDERAL TERRITORY WOULD BE A SLEDGE HAMMER BLOW TO OUR SECURITY POLICY. IN ADDITION IT WOULD HAVE UNFORESEEABLE CONSEQUENCES FOR OTHER NATO FORCES STATIONED IN THE FRG. "DIE WELT" FURTHER REPORTS THAT

BONN GOVERNMENT AGENCIES WERE PARTICULARLY SURPRISED BECAUSE A POSSIBLE WITHDRAWAL OF BRITISH TROOPS FROM THE FRG HAD NOT BEEN A TOPIC AT THE RECENT CALLAGHAN/SCHMIDT MEETING IN CHECQUERS. GOVERNMENT CIRCLES ASSUME THAT SCHMIDT WILL CONTACT CALLAGHAN NEXT WEEK FOLLOWING THE CHANCELLOR'S BRIEF VACATION AT LAKE GENEVA.

4. THE "RHEINISCHE POST" (PRO-CDU) BELIEVES THAT THE INTERVIEW WAS CLEARLY INTENDED TO POINT A PISTOL AT THE ALLIES WITH THE ARGUMENT: EITHER THE BRITISH ARE GRANTED WHAT THEY CONSIDER NECESSARY FINANCIALLY. IN THE WAY OF SUPPORT DURING THEIR CRISIS, OR GREAT BRITAIN WILL BE FORCED TO DODGE ITS OBLIGATIONS TO NATO AND THE EC. THE MAIN TARGET WAS CERTAINLY THE FRG: THE FEDERAL REPUBLIC IS STRONG ENOUGH TO COME

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AMEMBASSY ANKARA
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CINC USAREUR HEIDELBERG
CINC EUR VAIHINGEN
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FORWARD WITH BILLIONS; THE BRITISH VIEW THE BAOR AS THE
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BEST AVAILABLE MEANS TO EXERT PRESSURE SO AS TO MAKE
THE NATO ALLIES MORE ACCOMMODATING.

5. ACCORDING TO BONN'S "GENERAL ANZEIGER"
(INDEPENDENT), NATO CIRCLES IN BRUSSELS CONSIDERED
CALLAGHAN'S STATEMENTS AS "AMBIGUOUS." IT WAS SAID THAT
THE WESTERN ALLIANCE WOULD WELCOME AN EARLY CLARIFICA-
TION. IT IS ANNOYING THAT GREAT BRITAIN HAD RESORTED
TO THIS INSTRUMENT TO PUT PRESSURE ON THE FRG AND THE
USA. EVEN A PARTIAL WITHDRAWAL OF THE BAOR...WOULD
RESULT IN "UNIMAGINABLE HEAVELS" TO THE CONVENTIONAL
DEFENSE PLANNING OF NATO.

6. EDITORIAL COMMENT WAS WIDESPREAD. HANS-JOACHIM
RUDOLPH, LONDON CORRESPONDENT OF THE "FRANKFURTER
ALLGEMEINE ZEITUNG" (INDEPENDENT) WROTE: "PRIME
MINISTER CALLAGHAN USED STRANGE LANGUAGE IN HIS TV
INTERVIEW. HE WARNED PARTNER COUNTRIES AND INTERNATIONAL
ORGANIZATIONS AGAINST 'PUSHING' AND 'FORCING' GREAT
BRITAIN INTO HIGH UNEMPLOYMENT AND DEFLATION. HE
ATTACHED THE UNMISTAKABLE THREAT OF WITHDRAWING THE
BRITISH ARMY OF THE RHINE TO HIS STATEMENTS...HE
THOROUGHLY PUT THINGS UPSIDE DOWN. NOT ENGLAND'S
PARTNERS NOT THE INTERNATIONAL MONETARY FUND BUT BRITISH
GOVERNMENTS ARE RESPONSIBLE FOR ENGLAND'S CURRENT
DIFFICULTIES...THREATS FROM WHITEHALL TO WEAKEN THE
ATLANTIC ALLIANCE ARE ENTIRELY UNCALLED FOR AND
AMOUNT TO BLOWS BY ENGLAND AGAINST HERSELF."

7. HEINZ BARTH, POLITICAL CORRESPONDENT OF "DIE WELT",
COMMENTED: "BONN IS NOT COMMITTED TO FINANCING THE

STATIONING OF FOREIGN TROOPS IN THE FRG. DURING HIS DISCUSSION WITH CALLAGHAN TWO WEEKS AGO, SCHMIDT IGNORED THE PRIME MINISTER'S HOLDING OUT HIS HAND FOR CASH. NOW THE CHANCELLOR IS IN A DILEMMA. IN THE INTEREST OF EUROPEAN SECURITY, THE RISKS INVOLVED IN IGNORING BRITISH CALLS FOR CASH MIGHT BE TOO GREAT..."

8. THE "FRANKFURTER RUNDSCHAU'S" (LEFT-CENTER)
BRUSSELS CORRESPONDENT ERICH HAUSER COMMENTED:
"...CALLAGHAN IS TRYING TO OBTAIN STAND-BY CREDITS FROM
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WASHINGTON AND BONN WITHOUT ANY STRINGS BEING ATTACHED...BONN MAY ARGUE THAT IT IS ALREADY MAKING FINANCIAL CONTRIBUTIONS TO GREAT BRITAIN VIA THE EC... ULTIMATELY, HOWEVER, BONN WILL HAVE TO KEEP IN MIND THAT, WITHOUT THE BRITISH ARMY OF THE RHINE, THE CREDIBILITY OF THE BRITISH GARRISON IN WEST BERLIN WOULD BE ALMOST AS LOW AS THAT OF THE FRENCH GARRISON..."
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